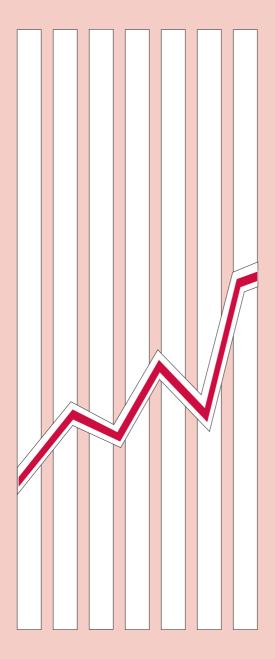
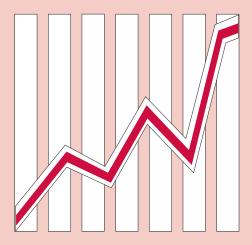


# SURVEY of CURRENT BUSINESS





# SURVEY of CURRENT BUSINESS

SURVEY OF CURRENT BUSINESS (ISSN 0039–6222). Published monthly by the Bureau of Economic Analysis of the U.S. Department of Commerce. Editorial correspondence should be addressed to the Editor-in-Chief, SURVEY OF CURRENT BUSINESS, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

Subscriptions to the Survey of Current Business are maintained, and their prices set, by the Government Printing Office, an agency of the U.S. Congress. Postmaster: Send address changes to:

Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

The GPO order desk number is (202) 512-1800. The subscription complaint desk number is (202) 512-1806.

#### Subscription and single-copy prices:

Periodicals: \$39.00 domestic,

\$48.75 foreign.

First-class mail: \$88.00.

riisi-ciuss man. \$00.00.

Single copy: \$14.00 domestic,

\$17.50 foreign.

Make checks payable to the Superintendent of Documents.

Periodicals postage paid at Washington, DC and at additional mailing offices. (USPS 337-790).

The Secretary of Commerce has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department.

#### U.S. Department of Commerce

William M. Daley, Secretary



#### **Economics and Statistics Administration**

Robert J. Shapiro, Under Secretary for Economic Affairs



#### **Bureau of Economic Analysis**

J. Steven Landefeld, *Director* Rosemary D. Marcuss, *Deputy Director* 

Robert P. Parker, Chief Statistician
Hugh W. Knox, Associate Director for Regional Economics
Brent R. Moulton, Associate Director for National Income,
Expenditure, and Wealth Accounts
Sumiye O. Okubo, Associate Director for Industry Accounts
Gerald A. Pollack, Associate Director for International
Economics

Editor-in-Chief Douglas R. Fox
Managing Editor Eric B. Manning
Manuscript Editor M. Gretchen Gibson
Graphics Designer W. Ronnie Foster

Production Editors Ernestine T. Gladden, Laura A. Oppel

THIS ISSUE of the SURVEY went to the printer on September 10, 1998. It incorporates data from the following monthly BEA news releases:

U.S. International Trade in Goods and Services (August 18), Gross Domestic Product (August 27), and Personal Income and Outlays (August 28).

## TABLE OF CONTENTS

### $R_{\it egular features}$

#### 1 Business Situation

Real GDP increased 1.6 percent in the second quarter of 1998 after increasing 5.5 percent in the first quarter; the price index for gross domestic purchases increased 0.4 percent after decreasing 0.2 percent. Corporate profits decreased \$9.5 billion in the second quarter after increasing \$8.4 billion in the first. In the second quarter, the Federal Government current surplus increased \$13.8 billion, to \$72.6 billion, and the State and local government current surplus decreased \$5.4 billion, to \$134.8 billion.

#### 47 U.S. Multinational Companies: Operations in 1996

The operations of U.S. multinational companies (MNC's) continued to grow relatively rapidly in 1996: Worldwide gross product of U.S. parent companies and their majority-owned foreign affiliates (MOFA's) increased 7 percent, employment increased 2 percent, and capital expenditures increased 5 percent. Gross product of both U.S. parents and their MOFA's grew 7 percent in 1996. From 1989 to 1996, U.S.-MNC gross product was mainly accounted for by U.S. parents, but the share that was accounted for by MOFA's edged up from 23 percent to 25 percent.

# Reports and statistical presentations

- 11 Customer Satisfaction Report
- 13 Annual NIPA Revision: Newly Available Table
- 14 Updated Summary NIPA Methodologies
- Fixed Reproducible Tangible Wealth in the United States: Revised Estimates for 1995–97 and Summary Estimates for 1925–97
- 74 Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 1997

#### D-1 BEA Current and Historical Data

#### National Data:

- D-2 Selected NIPA Tables
- D-27 Other NIPA and NIPA-Related Tables
- D-35 Historical Tables
- D-40 Domestic Perspectives
- D-42 Charts

#### International Data:

- D-50 Transactions Tables
- D-56 Investment Tables
- D-60 International Perspectives
- D-62 Charts

#### Regional Data:

- D-63 State and Regional Tables
- D-67 Local Area Table
- D-69 Charts

#### Appendixes:

- D-71 Appendix A: Additional Information About BEA'S NIPA Estimates
- D-73 Appendix B: Suggested Reading

#### Inside back cover: BEA Information

(A listing of recent BEA publications available from GPO)

**Back cover:** Schedule of Upcoming BEA News Releases

#### LOOKING AHEAD

**Revision of Annual State Personal Income.** An article presenting the revised annual estimates of State personal income for 1982–97 and discussing the major sources of the revisions will be published in the October Survey. The revised estimates of State personal income will be released on September 14.